



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-017411

TJD:wlj:ph

In: 1/27/11

Rmpt

stays

DOA:.....Skwarczek, BB0001 - Claim federal funding for certain services and make reimbursements to counties; sunset certain payments; repeal payments to cities

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

Do Not Gen

1 AN ACT ..., relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which is a jointly funded federal and state program that provides health services to individuals who have limited resources. Early and periodic screenings and subsequent treatment for individuals under 21 years of age; home health services prescribed by a physician; services and supplies prescribed by a physician for family planning; physical and occupational therapy; speech, hearing, and language disorder services; medical day treatment services, mental health services, and alcohol and other drug abuse services; nursing services; personal care services; mental health and psychosocial rehabilitative services provided by certain staff; respiratory care services for ventilator-dependent individuals; case management services; care coordination for women with high-risk pregnancies; prenatal, postpartum, and young child care coordination; care coordination and follow-up for persons having lead poisoning or lead exposure; mental health crisis intervention services; and case management services for recipients with high-cost chronic health conditions or high-cost catastrophic health conditions (covered services) are among

91 This bill creates a second procedure under which DHS may make payments to counties for covered services.

services that are covered under the MA program. Currently DHS may make MA payment adjustments to a county for covered services. DHS then may decrease a county's allocation of community aids moneys by the amount of MA payment adjustments paid from general purpose revenue by DHS. This bill discontinues the MA payment adjustments for covered services provided on and after January 1, 2012. Also, the bill specifies that a county will not receive a reduction in community aids based on the MA payment adjustments.

Under the second procedure, counties must

92 The bill requires counties to submit, annually, certified cost reports to DHS for covered services provided on or after January 1, 2012. DHS must base the amount of a claim for federal MA funds on the certified cost reports the counties submit. For those covered services provided on and after January 1, 2012, DHS must pay counties a percentage, as established in the state's most recent biennial budget, of the federal funds claimed. Under the bill, those local health departments that submit certified cost reports for covered services provided before July 1, 2011, may continue to submit certified cost reports for services provided on or after July 1, 2011. DHS may pay a local health department a percentage of the federal funds claimed for those covered services provided before January 1, 2012.

Under the second procedure

Currently, DHS may make payments to certain city health departments for MA services. This bill eliminates the authority for DHS to make payments for MA services to certain city health departments.

Under current law, DHS may make MA payments to providers of home health services prescribed by a physician, personal care services, respiratory care services for ventilator-dependent individuals, and home health services under the BadgerCare Plus Benchmark plan from a certain general purpose revenue appropriation account. This bill eliminates the authority for DHS to pay providers from that appropriation account for those services provided on or after January 1, 2012.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.435 (7) (b) of the statutes is amended to read:

2 20.435 (7) (b) *Community aids and Medical Assistance payments.* The
3 amounts in the schedule for human services under s. 46.40, to fund services provided
4 by resource centers under s. 46.283 (5), for services under the family care benefit
5 under s. 46.284 (5), for Medical Assistance payment adjustments under s. 49.45 (52)
6 (a) for services described in s. 49.45 (52) (a) that are provided before January 1, 2012,

7 and for Medical Assistance payments under s. 49.45 (6tw) and (53) for services

93 The bill requires DHS to select which payment procedure it will use and allows DHS to change which procedure it uses. DHS must notify counties at least 90 days before the date on which payment for services is made under the selected or newly selected procedure.

1 described in s. 49.45 (53) that are provided before January 1, 2012. Social services
2 disbursements under s. 46.03 (20) (b) may be made from this appropriation. Refunds
3 received relating to payments made under s. 46.03 (20) (b) for the provision of
4 services for which moneys are appropriated under this paragraph shall be returned
5 to this appropriation. Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the
6 department of health services may transfer funds between fiscal years under this
7 paragraph. The department shall deposit into this appropriation funds it recovers
8 under ss. 46.495 (2) (b) and 51.423 (15), from prior year audit adjustments including
9 those resulting from audits of services under s. 46.26, 1993 stats., or s. 46.27. Except
10 for amounts authorized to be carried forward under s. 46.45, all funds recovered
11 under ss. 46.495 (2) (b) and 51.423 (15) and all funds allocated under s. 46.40 and not
12 spent or encumbered by December 31 of each year shall lapse to the general fund on
13 the succeeding January 1 unless carried forward to the next calendar year by the
14 joint committee on finance.

15 **SECTION 2.** 46.40 (9) (d) of the statutes is amended to read:

16 46.40 (9) (d) *Payment adjustments for certain Medical Assistance services.* The
17 department may decrease a county's allocation under sub. (2) by the amount of any
18 payment adjustments under s. 49.45 (52) (a) made for that county from the
19 appropriation account under s. 20.435 (7) (b) for services described under s. 49.45 (52)
20 (a) that are provided before January 1, 2012. The total amount of the decrease for
21 a county under this paragraph during any fiscal year may not exceed that part of the
22 county's allocation under sub. (2) that derives from the appropriation account under
23 s. 20.435 (7) (b) for that fiscal year.

24 **SECTION 3.** 49.45 (6tw) of the statutes is repealed.

25 **SECTION 4.** 49.45 (52) (title) of the statutes is amended to read:

If the department provides the notice under
para. (c) selecting the payment procedure in
this Paragraph

49.45 (52) (title) PAYMENT ADJUSTMENTS; FEDERAL FUNDING FOR CERTAIN SERVICES.

SECTION 5. 49.45 (52) of the statutes is renumbered 49.45 (52) (a) and amended to read:

49.45 (52) (a) ~~Beginning on January 1, 2003,~~ the department may, from the appropriation account under s. 20.435 (7) (b), make Medical Assistance payment adjustments to county departments under s. 46.215, 46.22, 46.23, or 51.42, or 51.437 or to local health departments, as defined in s. 250.01 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16., except for services specified under s. 49.46 (2) (b) 6. b. and c. provided to children participating in the early intervention program under s. 51.44, that are provided before January 1, 2012. Payment adjustments under this subsection paragraph shall include the state share of the payments. The total of any payment adjustments under this subsection paragraph and Medical Assistance payments made from appropriation accounts under s. 20.435 (4) (b), (o), and (w), may not exceed applicable limitations on payments under 42 USC 1396a (a) (30) (A).

SECTION 6. 49.45 (52) (b) of the statutes is created to read:

49.45 (52) (b) ⁹1. Annually, a county shall submit a certified cost report that meets the requirements of the federal department of health and human services for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16., except for services specified under s. 49.46 (2) (b) 6. b. and c. provided to children participating in the early intervention program under s. 51.44, that are provided after December 31, 2011.

2. For services described under subd. 1. that are provided after December 31,

2011, the department shall base the amount of a claim for federal medical assistance

(N/A) If the department provides the notice under par. (c) selecting the payment procedure in this paragraph, all of the following apply:

1 funds on certified cost reports submitted by counties under subd. 1. to the extent the
2 reports comply with federal requirements.

3 3. The department shall pay counties a percentage of the federal funds claimed
4 under subd. 2. for services described under subd. 1. that are provided after December
5 31, 2011, which percentage is established in the most recent biennial budget.

6 4. A local health department that submits certified cost reports for services
7 described under subd. 1. that are provided before July 1, 2011, may continue to
8 submit certified cost reports for services that are provided on or after July 1, 2011.
9 The department may pay a local health department that submits a certified cost
10 report for services that are provided before January 1, 2012, a percentage of the
11 federal funds claimed for those services, which percentage is established in the most
12 recent biennial budget.

13 **SECTION 7.** 49.45 (53) of the statutes is amended to read:

14 49.45 (53) PAYMENTS FOR CERTAIN SERVICES. Beginning on January 1, 2003, the
15 department may, from the appropriation account under s. 20.435 (7) (b), make
16 Medical Assistance payments to providers for covered services under ss. 49.46 (2) (a)
17 4. d. and (b) 6. j. and m. and 49.471 (11) (f) that are provided before January 1, 2012.

18 (END)

and may change which procedure
under par. (a) or (b) is
selected

911 #CR; 49.45 (52) (c)
(C) The department shall select a payment
Procedure under either par. (a) or (b) The department
shall notify each county of the selected payment procedure
at least 90 days before the date on which payment
for services is made under that selected or newly selected procedure.

Dodge, Tamara

From: Skwarczek, Marta A - DOA [Marta.Skwarczek@Wisconsin.gov]
Sent: Monday, February 07, 2011 11:12 AM
To: Dodge, Tamara
Subject: RE: BB0001 WIMCR LRB-0174/2

Great, thanks!!!

Marta Skwarczek
Health Services and Insurance Team
Executive Policy and Budget Analyst
608-267-7980

From: Dodge, Tamara [mailto:Tamara.Dodge@legis.wisconsin.gov]
Sent: Monday, February 07, 2011 9:35 AM
To: Skwarczek, Marta A - DOA
Subject: RE: BB0001 WIMCR LRB-0174/2

Marta,

I just had a couple of comments on two of the DHS responses.

1. Since it sounds like the counties' procedures won't change depending on the payment procedure selected, it is probably fine to leave the time frame out of the notice. I will leave the time frame out.
4. I understand now and think the language suggested in the email should work.

Thanks,
Tami

Tamara J. Dodge

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P.O. Box 2037
Madison, WI 53701-2037
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tamara.dodge@legis.wisconsin.gov

From: Skwarczek, Marta A - DOA [mailto:Marta.Skwarczek@Wisconsin.gov]
Sent: Friday, February 04, 2011 5:49 PM
To: Dodge, Tamara
Subject: RE: BB0001 WIMCR LRB-0174/2

Tami,

Here are the responses from DHS:

1. We can make a 15 day notice period work if it is necessary. Part of my concern about a time period is -- it's 15 days notice before we take what action exactly? The current process is that counties submit cost reports to us in April/May of each year and we send WIMCR payments and adjust Community Aids contracts in June/July and October/November of each year. In the new process, they'd continue to submit cost reports in the same time frame, we'd make federal claims throughout the year, and pay counties a portion of the federal revenue perhaps in the October/November time frame. So, I'm not sure before which of these steps we'd have to give 15 days notice.
2. I think it's OK to leave as drafted. Thanks.
3. Sounds good. Thanks.
4. Could we restore s. 49.45(6tw) and language saying "if the department selects the payment procedure

2/7/2011

under s. 49.52(a)." and then also add under s. 49.52(b) the language from the prior draft LFRB-0174/P2, s.49.52 (b)4.? Then I think we're covered under both methods. The local health departments under (6tw) are a subset of those referenced under .52(a). More importantly, the payments cited in each paragraph are different -- .52(a) is talking about the WIMCR payment adjustment and (6tw) refers to "hold harmless" payment we give to them, to share a portion of the gain.

It is also OK to conform the language to read "county departments" where it currently says "counties"

Marta Skwarczek
Health Services and Insurance Team
Executive Policy and Budget Analyst
608-267-7980

From: Dodge, Tamara [mailto:Tamara.Dodge@legis.wisconsin.gov]
Sent: Friday, February 04, 2011 10:10 AM
To: Skwarczek, Marta A - DOA
Subject: RE: BB0001 WIMCR LRB-0174/2

Marta,

I have some questions that I would like answered by DHS. I also had thoughts on some of their comments. Here are my thoughts, and questions, so far:

1. I would really like to include some time limit for the notice, even if it is only 15 days, so there is some clarity in the statute. I can eliminate the time limit for the notice completely. Please advise if there is any time limit that DHS would be willing to insert.
2. Since the notice would refer to the date of service for which the payment method would apply, I don't think there is any problem with making payments for one calendar year's services in the next calendar year even if the other payment method is in place. However, to make that clear, I can change the draft to allow DHS to select either or both payment methods.
- ✓ 3. I see the negative inference issue, and I will insert a provision under the first payment method (s. 49.45 (52) (a)) to allow DHS to require county departments to submit cost reports.
4. I can reinstate s. 49.45 (6tw). That provision does not explain how the payments are made to the city health departments, presumably this would allow DHS to set the procedure. Does DHS feel it's necessary for me to insert language in s. 49.45 (6tw) about the method by which those payments may be made? I see that new s. 49.45 (52) (a) mentions "local health departments," should I just include the "local health department" under par. (b) too? (Are these local health departments in s. 49.45 (52) (a) the same as the local health departments under s. 49.45 (6tw)?)

Another question: I notice that s. 49.45 (52) (a) refers to "county departments" while I drafted s. 49.45 (52) (b) to refer to "counties." Is there any problem if I conform the language and refer to county departments (as described in s. 49.45 (52) (a)) throughout the draft?

Thanks,
Tami

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From: Skwarczek, Marta A - DOA [mailto:Marta.Skwarczek@Wisconsin.gov]
Sent: Thursday, February 03, 2011 6:57 PM

2/7/2011

To: Dodge, Tamara
Subject: BB0001 WIMCR LRB-0174/2

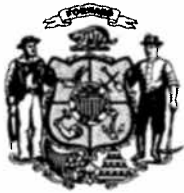
Tami,

This is the response I received from DHR regarding the new WIMCR draft.

1. My view is that the 90 day notice to counties is unnecessary. Could we just revise s. 49.45(52)(c) to just require us to give counties notice and not require a certain lead time in statute? We'll be communicating to counties well in advance of the change, but I don't want to be tied down to 90 days. Also, under either method, the core process that counties are responsible for -- preparing and submitting cost reports -- remains essentially the same under each methodology.
2. A related point, during the transition to a CPE process, we will likely do a mix of each process. For example, in July 2012, we'd still make Medicaid payment adjustments under s. 49.45(52)(a) and Community Aids adjustments under s. 46.40(9)(d) for CY 11 dates of service and then make CPE claims and share CPE revenues with counties during CY 12 for CY 12 dates of service. Could we do that under this draft?
3. Under the current practice (per s.49.45(52)(a) under the draft), we require counties to submit cost reports, which form the basis of the payment adjustments. Do you have any concern that the requirement under s.49.45(52)(b)1 for counties to submit a cost report under the CPE approach creates a negative inference that the department doesn't have authority to require them to submit reports if we elect to stay with (a)?
4. We'd like to retain authority to make payments to city health departments under s. 49.45(6tw). This draft deletes the paragraph. The prior draft gave us authority to have them submit cost reports and receive a portion of the CPE revenues. Could this draft be modified so that we have authority to continue to pay them under either methodology?

Marta Skwarczek

Wisconsin Department of Administration
Division of Executive Budget and Finance
Health Services and Insurance Team
Executive Policy and Budget Analyst
608-267-7980



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0174/2 3
TJD:wlj:rs

In: 2/7/11

stays RMR

DOA:.....Skwarczek, BB0001 - Claim federal funding for certain services
and make reimbursements to counties; sunset certain payments;
repeal payments to cities

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

Do Not Gen

1

AN ACT ..., relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which is a jointly funded federal and state program that provides health services to individuals who have limited resources. Early and periodic screenings and subsequent treatment for individuals under 21 years of age; home health services prescribed by a physician; services and supplies prescribed by a physician for family planning; physical and occupational therapy; speech, hearing, and language disorder services; medical day treatment services, mental health services, and alcohol and other drug abuse services; nursing services; personal care services; mental health and psychosocial rehabilitative services provided by certain staff; respiratory care services for ventilator-dependent individuals; case management services; care coordination for women with high-risk pregnancies; prenatal, postpartum, and young child care coordination; care coordination and follow-up for persons having lead poisoning or lead exposure; mental health crisis intervention services; and case management services for recipients with high-cost chronic health conditions or high-cost catastrophic health conditions (covered services) are among

services that are covered under the MA program. Currently DHS may make MA payment adjustments to a county for covered services. DHS then may decrease a county's allocation of community aids moneys by the amount of MA payment adjustments paid from general purpose revenue by DHS.

This bill creates a second procedure under which DHS may make payments to counties for covered services. Under the second procedure, counties must submit, annually, certified cost reports to DHS for covered services. DHS must base the amount of a claim for federal MA funds on the certified cost reports the counties submit. For those covered services, under the second procedure, DHS must pay counties a percentage, as established in the state's most recent biennial budget, of the federal funds claimed.

The bill requires DHS to select which payment procedure it will use and allows DHS to change which procedure it uses. DHS must notify counties at least 90 days before the date on which payment for services is made under the selected or newly selected procedure.

Currently, DHS may make payments to certain city health departments for MA services. This bill eliminates the authority for DHS to make payments for MA services to certain city health departments.

Under current law, DHS may make MA payments to providers of home health services prescribed by a physician, personal care services, respiratory care services for ventilator-dependent individuals, and home health services under the BadgerCare Plus Benchmark plan from a certain general purpose revenue appropriation account. This bill eliminates the authority for DHS to pay providers from that appropriation account for those services provided on or after January 1, 2012.

This bill allows DHS to pay local health departments under the second payment procedure.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.435 (7) (b) of the statutes is amended to read:

20.435 (7) (b) *Community aids and Medical Assistance payments.* The amounts in the schedule for human services under s. 46.40, to fund services provided by resource centers under s. 46.283 (5), for services under the family care benefit under s. 46.284 (5), for Medical Assistance payment adjustments under s. 49.45 (52) (a) for services described in s. 49.45 (52) (a) and for Medical Assistance payments under s. 49.45 (52) (a) and (53) for services described in s. 49.45 (53) that are provided before January 1, 2012. Social services disbursements under s. 46.03 (20) (b) may

for Medical Assistance payments
Under s. 49.45

1 be made from this appropriation. Refunds received relating to payments made under
2 s. 46.03 (20) (b) for the provision of services for which moneys are appropriated under
3 this paragraph shall be returned to this appropriation. Notwithstanding ss. 20.001
4 (3) (a) and 20.002 (1), the department of health services may transfer funds between
5 fiscal years under this paragraph. The department shall deposit into this
6 appropriation funds it recovers under ss. 46.495 (2) (b) and 51.423 (15), from prior
7 year audit adjustments including those resulting from audits of services under s.
8 46.26, 1993 stats., or s. 46.27. Except for amounts authorized to be carried forward
9 under s. 46.45, all funds recovered under ss. 46.495 (2) (b) and 51.423 (15) and all
10 funds allocated under s. 46.40 and not spent or encumbered by December 31 of each
11 year shall lapse to the general fund on the succeeding January 1 unless carried
12 forward to the next calendar year by the joint committee on finance.

13 **SECTION 2.** 46.40 (9) (d) of the statutes is amended to read:

14 46.40 (9) (d) *Payment adjustments for certain Medical Assistance services.* The
15 department may decrease a county's allocation under sub. (2) by the amount of any
16 payment adjustments under s. 49.45 (52) (a) made for that county from the
17 appropriation account under s. 20.435 (7) (b) for services described under s. 49.45 (52)
18 (a). The total amount of the decrease for a county under this paragraph during any
19 fiscal year may not exceed that part of the county's allocation under sub. (2) that
20 derives from the appropriation account under s. 20.435 (7) (b) for that fiscal year.

21 **SECTION 3.** 49.45 (6tw) of the statutes is repealed.

22 **SECTION 4.** 49.45 (52) (title) of the statutes is amended to read:

23 49.45 (52) (title) PAYMENT ADJUSTMENTS, FEDERAL FUNDING FOR CERTAIN SERVICES.

24 **SECTION 5.** 49.45 (52) of the statutes is renumbered 49.45 (52) (a) and amended
25 to read:

1. 49.45 (52) (a) ^{1.} ~~Beginning on January 1, 2003~~ If the department provides the notice under par. (c) selecting the payment procedure in this ~~paragraph~~ ^{subdivision} the department may, from the appropriation account under s. 20.435 (7) (b), make Medical Assistance payment adjustments to county departments under s. 46.215, 46.22, 46.23, [↓] ~~or~~ 51.42, or 51.437 or to local health departments, as defined in s. 250.01 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16., except for services specified under s. 49.46 (2) (b) 6. b. and c. provided to children participating in the early intervention program under s. 51.44. Payment adjustments under this subsection ~~paragraph~~ ^{subdivision} shall include the state share of the payments. The total of any payment adjustments under this subsection ~~paragraph~~ ^{subdivision} and Medical Assistance payments made from appropriation accounts under s. 20.435 (4) (b), (o), and (w), may not exceed applicable limitations on payments under 42 USC 1396a (a) (30) (A).

SECTION 6. 49.45 (52) (b) of the statutes is created to read:

49.45 (52) (b) If the department provides the notice under par. (c) selecting the payment procedure in this paragraph, all of the following apply:

1. Annually, a county [^] shall submit a certified cost report that meets the requirements of the federal department of health and human services for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16., except for services specified under s. 49.46 (2) (b) 6. b. and c. provided to children participating in the early intervention program under s. 51.44.

2. For services described under subd. 1., the department shall base the amount of a claim for federal medical assistance funds on certified cost reports submitted by counties under subd. 1. to the extent the reports comply with federal requirements.

County departments

department under s. 46.215, 46.22, 46.23, 51.42, or 51.437

County departments

Insert 5-4 ① 3. The department shall pay counties a percentage of the federal funds claimed
2 under subd. 2. for services described under subd. 1., which percentage is established
3 in the most recent biennial budget.

4 **SECTION 7.** 49.45 (52) (c) of the statutes is created to read:

5 49.45 (52) (c) The department shall select a payment procedure under either
6 par. (a) or (b) and may change which procedure under par. (a) or (b) is selected. The
7 department shall notify each county of the selected payment procedure at least 90
8 days before the date on which payment for services is made under that selected or
9 newly selected procedure.

department and local health

10 **SECTION 8.** 49.45 (53) of the statutes is amended to read: *department, as applicable*

11 49.45 (53) PAYMENTS FOR CERTAIN SERVICES. Beginning on January 1, 2003, the
12 department may, from the appropriation account under s. 20.435 (7) (b), make
13 Medical Assistance payments to providers for covered services under ss. 49.46 (2) (a)
14 4. d. and (b) 6. j. and m. and 49.471 (11) (f) that are provided before January 1, 2012.

15 (END)

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0174/3ins

TJD:.....

1 INSERT 3-21

2 **SECTION ~~4~~** 49.45 (6tw) of the statutes is amended to read:

3 **49.45 (6tw)** PAYMENTS TO CITY HEALTH DEPARTMENTS. From the appropriation
4 account under s. 20.435 (7) (b), if the department selects the payment procedure
5 under s. 49.45 (52) (a), the department may make payments to local health
6 departments, as defined under s. 250.01 (4) (a) 3. Payment under this subsection to
7 such a local health department may not exceed on an annualized basis payment
8 made by the department to the local health department under s. 49.45 (6t), 2003
9 stats., for services provided by the local health department in 2002.

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293; 1999 a. 9, 63, 103, 180, 185; 2001 a. 13, 16, 35, 38, 57, 67, 104, 109; 2003 a. 33, 318, 321; 2005 a. 22; 2005 a. 25 ss. 1120 to 1149f, 2503 to 2510; 2005 a. 107, 165, 253, 254, 264, 301, 340, 386, 441; 2007 a. 20 ss. 1513 to 1559h, 9121 (6) (a); 2007 a. 90, 97, 104, 141, 153; 2009 a. 2, 28, 113, 177, 180, 190, 221, 334, 342.

(END INSERT 3-21)

10 INSERT 4-14

11 **SECTION ~~4~~** 49.45 (52) (a) 2. of the statutes is created to read:

12 **49.45 (52)** (a) 2. The department may require a county department or local
13 health department to submit a certified cost report that meets the requirements of
14 the federal department of health and human services for covered services described
15 in subd. 1. ↓

(END INSERT 4-14)

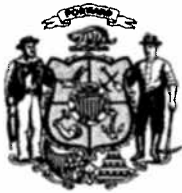
16 INSERT 5-4

17 4. The department may pay a local health department, as defined in s. 250.01
18 (4), ↓ that submits certified cost reports for services described under subd. 1. ↓ a

1 percentage of the federal funds claimed for those services, which percentage is
2 established in the most recent biennial budget.

(END INSERT 5-4)

3 **(END)**



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0174/3

TJD:wlj:rs

In: 2/21/11

(Stays) RMR

DOA:.....Skwarczek, BB0001 - Claim federal funding for certain services
and make reimbursements to counties; sunset certain payments

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

D-note

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which is a jointly funded federal and state program that provides health services to individuals who have limited resources. Early and periodic screenings and subsequent treatment for individuals under 21 years of age; home health services prescribed by a physician; services and supplies prescribed by a physician for family planning; physical and occupational therapy; speech, hearing, and language disorder services; medical day treatment services, mental health services, and alcohol and other drug abuse services; nursing services; personal care services; mental health and psychosocial rehabilitative services provided by certain staff; respiratory care services for ventilator-dependent individuals; case management services; care coordination for women with high-risk pregnancies; prenatal, postpartum, and young child care coordination; care coordination and follow-up for persons having lead poisoning or lead exposure; mental health crisis intervention services; and case management services for recipients with high-cost chronic health conditions or high-cost catastrophic health conditions (covered services) are among services that are covered under the MA program. Currently DHS may make MA

payment adjustments to a county department for covered services. DHS then may decrease a county's allocation of community aids moneys by the amount of MA payment adjustments paid from general purpose revenue by DHS.

This bill creates a second procedure under which DHS may make payments to county departments for covered services. Under the second procedure, county departments must submit, annually, certified cost reports to DHS for covered services. DHS must base the amount of a claim for federal MA funds on the certified cost reports the county departments submit. For those covered services, under the second procedure, DHS must pay county departments a percentage, as established in the state's most recent biennial budget, of the federal funds claimed.

Currently, DHS may make payments to certain local health departments for MA services under the first payment procedure. This bill allows DHS to also pay local health departments under the second payment procedure.

The bill requires DHS to select which payment procedure it will use and allows DHS to change which procedure it uses. DHS must notify county and local departments before the date on which payment for services is made under the selected or newly selected procedure.

Under current law, DHS may make MA payments to providers of home health services prescribed by a physician, personal care services, respiratory care services for ventilator-dependent individuals, and home health services under the BadgerCare Plus Benchmark plan from a certain general purpose revenue appropriation account. This bill eliminates the authority for DHS to pay providers from that appropriation account for those services provided on or after January 1, 2012.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.435 (7) (b) of the statutes is amended to read:

2 20.435 (7) (b) *Community aids and Medical Assistance payments.* The
3 amounts in the schedule for human services under s. 46.40, to fund services provided
4 by resource centers under s. 46.283 (5), for services under the family care benefit
5 under s. 46.284 (5), for Medical Assistance payment adjustments under s. 49.45 (52),
6 and (a) for services described in s. 49.45 (52) (a) 1., for Medical Assistance payments
7 under s. 49.45 (6tw), and for Medical Assistance payments under s. 49.45 (53) for
8 services described in s. 49.45 (53) that are provided before January 1, 2012. Social
9 services disbursements under s. 46.03 (20) (b) may be made from this appropriation.

1 Refunds received relating to payments made under s. 46.03 (20) (b) for the provision
2 of services for which moneys are appropriated under this paragraph shall be
3 returned to this appropriation. Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the
4 department of health services may transfer funds between fiscal years under this
5 paragraph. The department shall deposit into this appropriation funds it recovers
6 under ss. 46.495 (2) (b) and 51.423 (15), from prior year audit adjustments including
7 those resulting from audits of services under s. 46.26, 1993 stats., or s. 46.27. Except
8 for amounts authorized to be carried forward under s. 46.45, all funds recovered
9 under ss. 46.495 (2) (b) and 51.423 (15) and all funds allocated under s. 46.40 and not
10 spent or encumbered by December 31 of each year shall lapse to the general fund on
11 the succeeding January 1 unless carried forward to the next calendar year by the
12 joint committee on finance.

13 **SECTION 2.** 46.40 (9) (d) of the statutes is amended to read:

14 46.40 (9) (d) *Payment adjustments for certain Medical Assistance services.* The
15 department may decrease a county's allocation under sub. (2) by the amount of any
16 payment adjustments under s. 49.45 (52) (a) made for that county from the
17 appropriation account under s. 20.435 (7) (b) for services described under s. 49.45 (52)
18 (a) 1. The total amount of the decrease for a county under this paragraph during any
19 fiscal year may not exceed that part of the county's allocation under sub. (2) that
20 derives from the appropriation account under s. 20.435 (7) (b) for that fiscal year.

21 **SECTION 3.** 49.45 (6tw) of the statutes is amended to read:

22 49.45 (6tw) PAYMENTS TO CITY HEALTH DEPARTMENTS. From the appropriation
23 account under s. 20.435 (7) (b), if the department selects the payment procedure
24 under s. 49.45 (52) (a), the department may make payments to local health
25 departments, as defined under s. 250.01 (4) (a) 3. Payment under this subsection to

1 such a local health department may not exceed on an annualized basis payment
2 made by the department to the local health department under s. 49.45 (6t), 2003
3 stats., for services provided by the local health department in 2002.

4 **SECTION 4.** 49.45 (52) (title) of the statutes is amended to read:

5 49.45 (52) (title) PAYMENT ADJUSTMENTS; FEDERAL FUNDING FOR CERTAIN SERVICES.

6 **SECTION 5.** 49.45 (52) of the statutes is renumbered 49.45 (52) (a) 1. and
7 amended to read:

8 49.45 (52) (a) 1. Beginning on January 1, 2003 If the department provides the
9 notice under par. (c) selecting the payment procedure in this paragraph, the
10 department may, from the appropriation account under s. 20.435 (7) (b), make
11 Medical Assistance payment adjustments to county departments under s. 46.215,
12 46.22, 46.23, ~~or~~ 51.42, or 51.437 or to local health departments, as defined in s. 250.01
13 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and
14 (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16., except for
15 services specified under s. 49.46 (2) (b) 6. b. and c. provided to children participating
16 in the early intervention program under s. 51.44. Payment adjustments under this
17 subsection paragraph shall include the state share of the payments. The total of any
18 payment adjustments under this subsection paragraph and Medical Assistance
19 payments made from appropriation accounts under s. 20.435 (4) (b), [^](o), and (w), may
20 not exceed applicable limitations on payments under 42 USC 1396a (a) (30) (A).

21 **SECTION 6.** 49.45 (52) (a) 2. of the statutes is created to read:

22 49.45 (52) (a) 2. The department may require a county department or local
23 health department to submit a certified cost report that meets the requirements of
24 the federal department of health and human services for covered services described
25 in subd. 1.

****Note: This is reconciled s. 49.45 (52) (a) 1. This section has been
affected by draft LRB-0809/3.

1 **SECTION 7.** 49.45 (52) (b) of the statutes is created to read:

2 49.45 **(52)** (b) If the department provides the notice under par. (c) selecting the
3 payment procedure in this paragraph, all of the following apply:

4 1. Annually, a county department under s. 46.215, 46.22, 46.23, 51.42, or 51.437
5 shall submit a certified cost report that meets the requirements of the federal
6 department of health and human services for covered services under s. 49.46 (2) (a)
7 2. and 4. d. and f. and (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13.,
8 15., and 16., except for services specified under s. 49.46 (2) (b) 6. b. and c. provided
9 to children participating in the early intervention program under s. 51.44.

10 2. For services described under subd. 1., the department shall base the amount
11 of a claim for federal medical assistance funds on certified cost reports submitted by
12 county departments under subd. 1. to the extent the reports comply with federal
13 requirements.

14 3. The department shall pay county departments a percentage of the federal
15 funds claimed under subd. 2. for services described under subd. 1., which percentage
16 is established in the most recent biennial budget.

17 4. The department may pay a local health department, as defined in s. 250.01
18 (4), that submits certified cost reports for services described under subd. 1. a
19 percentage of the federal funds claimed for those services, which percentage is
20 established in the most recent biennial budget.

21 **SECTION 8.** 49.45 (52) (c) of the statutes is created to read:

22 49.45 **(52)** (c) The department shall select a payment procedure under either
23 par. (a) or (b) and may change which procedure under par. (a) or (b) is selected. The
24 department shall notify each county department and local health department, as

1 applicable, of the selected payment procedure before the date on which payment for
2 services is made under that selected or newly selected procedure.

3 **SECTION 9.** 49.45 (53) of the statutes is amended to read:

4 49.45 **(53)** PAYMENTS FOR CERTAIN SERVICES. Beginning on January 1, 2003, the
5 department may, from the appropriation account under s. 20.435 (7) (b), make
6 Medical Assistance payments to providers for covered services under ss. 49.46 (2) (a)
7 4. d. and (b) 6. j. and m. and 49.471 (11) (f) that are provided before January 1, 2012.

8 (END)

D-note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0174/4dn

TJD: /.....

Wlj

Date

To Marta Skwarczek:

This draft reconciles LRB-0174/3 and LRB-0809/3. All of these drafts should continue to appear in the compiled bill.

Tamara J. Dodge
Legislative Attorney
Phone: (608) 267-7380
E-mail: tamara.dodge@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
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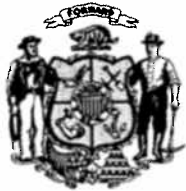
LRB-0174/4dn
TJD:wlj:md

February 21, 2011

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Tamara J. Dodge
Legislative Attorney
Phone: (608) 267-7380
E-mail: tamara.dodge@legis.wisconsin.gov



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0174/4

TJD:wlj:md

DOA:.....Skwarczek, BB0001 - Claim federal funding for certain services
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10 department of health and human services for covered services under s. 49.46 (2) (a)
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49.45 (52) (c) The department shall select a payment procedure under either par. (a) or (b) and may change which procedure under par. (a) or (b) is selected. The department shall notify each county department and local health department, as applicable, of the selected payment procedure before the date on which payment for services is made under that selected or newly selected procedure.

SECTION 9. 49.45 (53) of the statutes is amended to read:

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(END)